

MINUTES OF SPECIAL MEETING
SUGAR CITY COUNCIL
MONDAY, JUNE 20, 2005

Presiding: Glenn W. Dalling
Meeting Convened at 12:00 noon
Prayer: Harold Harris
Pledge of Allegiance

Present: Mayor Dalling; Sharon L. Bell, Clerk; Marcie A. Smith, Treasurer; Council members Tim Kershaw, Brent Barrus, Walter Deitz and Harold Harris; Dick Dyer, City Engineer; and Jan Gallup,

NORSUN REQUEST FOR ADDITIONAL SEWER CAPACITY: The Mayor said we have a capacity agreement with Rexburg to treat 215,000 gallons of wastewater per day, which includes NorSun. NorSun already owns 92,000 gallons per day capacity and is requesting that we sell them 158,000 gallons of additional wastewater flow capacity, making their total 250,000 gallons per day. Discussion was had with Dick Dyer, City Engineer. Dick presented a Memorandum regarding wastewater capacity with Rexburg dated June 20, 2005, a copy of which is attached hereto, marked Attachment "I." He discussed present treatment capacity, present treatment demand, future treatment demand, capacity purchase and interceptor capacity. The understanding in the agreement is that if Sugar City incurs a surcharge from Rexburg for going beyond the 215,000 gallons per day that is allowed, they will give us a surcharge. The agreement with NorSun says that they will pay the surcharge because they are the ones causing it to happen. Discussion was had on buying additional capacity for the City and how to pay for it.

MOTION TO PURCHASE ADDITIONAL CAPACITY: It was moved by Council member Deitz and seconded by Council member Kershaw that we go to Rexburg and purchase an additional 200,000 gallons per day of sewer capacity; 158,000 would go to NorSun and 42,000 to Sugar City, and approach Rexburg and negotiate the price down. We are going to charge NorSun the going rate -- \$3.79 per gallon per day for their 158,000 gallons. We will go to Rexburg and negotiate price and go from there. The Mayor called for a roll call vote:

Those voting aye: Council members Kershaw, Barrus, Deitz and Harris

Those voting nay: None

Thereupon, the Mayor declared the motion passed.

MOTION: It was moved by Council member Kershaw and seconded by Council member Deitz that we authorize the Mayor to inform NorSun that we will sell them the extra 158,000 gallons of capacity per day that they desire at a negotiated price, estimated at \$3.79 per gallon per day. In addition to that, if they go over their total capacity, then they will pay Sugar City the surcharge at the prevailing rate. The Mayor called for a roll call vote:

Those voting aye: Council members Kershaw, Barrus, Deitz and Harris

Those voting nay: None

Thereupon, the Mayor declared the motion passed.

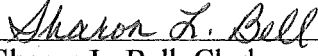
INTERCEPTOR CAPACITY: Dick said there is a certain amount of capacity in the pipeline between here and Rexburg. Some day if that gets consistently exceeded, we will either find a way to hold some of the flow up here during the daytime and let it go at night or we will have to build another parallel interceptor. He said 1,100,000 gallons a day is what that line will take; and 43% of the line capacity is being used now. He doesn't expect we will have a problem with the interceptor line very soon.

Meeting adjourned at 1:15 p.m.

Signed:


Glenn W. Dalling, Mayor

Attested:


Sharon L. Bell, Clerk



ENGINEERING • PLANNING • MANAGEMENT

MEMORANDUM

To: City of Sugar City

From: Winston R. Dyer, PE

Date: June 20, 2005

Re: Wastewater Capacity with Rexburg

You have inquired to know the status of your wastewater treatment capacity at the City of Rexburg, and therefore what options you may have in responding to NorSun's request to increase their capacity. After researching your current status and talking with Rexburg about this matter, we offer the following information.

Present Treatment Capacity

- Have purchased 215,000 gallons per day from Rexburg
- Have sold 92,000 gallons per day to NorSun
- Net available for Sugar City = 123,000 gallons per day

Present Treatment Demand

- NorSun using 108,000 gallons per day on average (compared to 92,000 GPD purchased capacity)
- Sugar City using 125,000 gallons per day for the City (not including NorSun or Teton)
- Therefore, there isn't any excess capacity to sell

Future Treatment Demand

- Have approved 210 equivalent homes in Sun River Lake Estates and 170 in Old Farm Estates (Stillman) = 380 total homes
- 380 homes x 350 GPD = 133,000 GPD future demand

Capacity Purchase

- \$3.79 per gallon per day
 - NorSun 158,000 GPD x \$3.79 / gallon = \$599,000
 - Sugar City 133,000 GPD x \$3.79 / gallon = \$504,000
- Hookup fee for 380 homes @ \$1425 / home = \$541,500

Interceptor Capacity

- Total capacity = 812 gpm (1,170,000 GPD)
- Present use
 - NorSun = 17%
 - Sugar City = 15%
 - Teton = 11%
 - Total 43%
- 158,000 GPD for NorSun = 22%
- 133,000 GPD for Sugar City = 18%
- Will still have 17% remaining